

AMENDED IN SENATE JULY 15, 2009

AMENDED IN SENATE JUNE 26, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 1110

Introduced by Assembly Member Fuentes

February 27, 2009

An act to add ~~Section 379.8 to~~ and repeal *Section 379.8 of the Public Utilities Code*, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1110, as amended, Fuentes. Advanced electrical distributed generation technology.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. The existing definition of an electrical corporation excludes a corporation or person employing cogeneration, as defined, technology or producing electricity from other than a conventional power source for certain purposes. Existing law states that it is the policy of the state to encourage and support the development of cogeneration as an efficient, environmentally beneficial, competitive energy resource that will enhance the reliability of local generation supply, and promote local business growth. Existing law places certain limitations upon gas rates and surcharges charged cogenerators. Existing law prohibits placing alternative fuel capability requirements upon gas customers that use gas for purposes of cogeneration.

This bill, *until January 1, 2014*, would authorize the commission and the State Air Resources Board to treat advanced electrical distributed generation technology, as defined, as cogeneration, and would make

certain existing limitations upon gas rates and surcharges charged cogenerators applicable to an advanced electrical distributed generation technology. The bill would make the prohibition upon placing alternative fuel capability requirements upon gas customers that use gas for purposes of cogeneration applicable to a generator using advanced electrical distributed generation technology.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) California has adopted a set of aggressive policies, including
4 the California Global Warming Solutions Act of 2006, to reduce
5 the state's contribution to global warming.

6 (b) To meet the emission reduction goals set forth by the State
7 Air Resources Board and other agencies, the state will need to
8 invest in, and aid the deployment of, new energy efficiency
9 programs, new electricity transmission and development programs,
10 as well as new clean and efficient technologies.

11 ~~(c) The development of advanced electrical distributed~~
12 ~~generation technology is an emerging clean technology that can~~
13 ~~meet the state's electricity needs while providing climate change~~
14 ~~and air quality benefits.~~

15 ~~(d)~~

16 (c) Current state policies that provide incentives to specific
17 electrical generation facilities that reduce emissions of greenhouse
18 gases while not providing similar incentives to other ultraclean
19 generation facilities may hinder the ability of the state to meet the
20 goals of the California Global Warming Solutions Act of 2006 by
21 creating disincentives for customers to install the cleanest
22 technologies available.

23 ~~(e)~~

24 (d) It is the intent of the Legislature to define what are advanced
25 electrical distributed generation technologies and to provide
26 deployment incentives, including those incentives provided for
27 cogeneration technologies.

28 SEC. 2. Section 379.8 is added to the Public Utilities Code, to
29 read:

1 379.8. (a) As used in this section, “advanced electrical
2 distributed generation technology” means any electric distributed
3 generation technology that generates useful electricity and meets
4 all of the following conditions:

5 (1) The emissions standards adopted by the State Air Resources
6 Board pursuant to the distributed generation certification program
7 requirements of Article 3 (commencing with Section 94200) of
8 Subchapter 8 of Chapter 1 of Division 3 of Title 17 of the
9 California Code of Regulations.

10 (2) Produces ~~de minimus~~ *minimis* emissions of sulfur oxides
11 and nitrogen oxides.

12 (3) Meets the greenhouse gases emission performance standard
13 established by the commission pursuant to Section 8341.

14 ~~(4) Has an electrical efficiency of 50 percent lower heating value~~
15 ~~or greater.~~

16 ~~(5) Is sized to meet onsite demand.~~

17 (4) *Has a total electrical efficiency of ____.*

18 ~~(6)~~

19 (5) Is sized to meet the generator’s onsite electrical demand.

20 ~~(7)~~

21 (6) Has parallel operation to the electrical distribution grid.

22 ~~(8)~~

23 (7) Utilizes renewable or nonrenewable fuel.

24 (b) (1) An advanced electrical distributed generation
25 technology shall qualify for the rate established by the commission
26 pursuant to Section ~~454.5~~ 454.4.

27 (2) The limitation in subdivision (b) of Section 6352 upon the
28 assessment of surcharges for gas used to generate electricity by a
29 nonutility facility applies to an advanced electrical distributed
30 generation technology.

31 (3) The limitation in Section 2773.5 upon imposing alternative
32 fuel capability requirements upon gas customers that use gas for
33 purposes of cogeneration applies to an advanced electrical
34 distributed generation technology.

35 (c) The commission or State Air Resources Board may, in
36 furtherance of the state’s goals for achieving cost-effective
37 reductions in emissions of greenhouse gases, meeting resource
38 adequacy requirements, or meeting the renewables portfolio
39 standard, treat advanced electrical distributed generation technology
40 as cogeneration.

- 1 *(d) This section shall remain in effect only until January 1, 2014,*
- 2 *and as of that date is repealed, unless a later enacted statute, that*
- 3 *is enacted before January 1, 2014, deletes or extends that date.*